

**TESTIMONY OF
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UNITED STATES CELLULAR CORPORATION
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ENERGY AND COMMERCE
SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS
SEPTEMBER 29, 2006**

Good morning Chairman Whitfield, Ranking Member Stupak and members of the Subcommittee. On behalf of U.S. Cellular, thank you for the opportunity to appear before you today to discuss our company's efforts to prevent the theft and illegal sale of phone records by data brokers.

I am Rochelle Boersma, Vice President of Customer Service at U.S. Cellular. One of my primary responsibilities is to make sure that all of our customer service associates are committed to and effective at safeguarding our customers' privacy in every interaction.

U.S. Cellular is a Chicago-based wireless carrier, serving more than 5.7 million customers in 26 states. We were established in 1983, and last year reported service revenues of \$2.8 billion.

While we are clearly not the largest company to address you today, we are pleased to participate on this panel because customer satisfaction is the basis of everything we do at U.S. Cellular. We have a long-standing belief that our customers' experience is truly more important than the products that we sell, and this belief is instilled in every one of our associates.

At U.S. Cellular, a key component of customer satisfaction is earning and maintaining our customers' trust. We, like the wireless industry in general, take this responsibility very seriously and go to great lengths to protect our customers' privacy.

The recent increased attention to "pretexting" has clearly underscored the responsibility wireless carriers face when maintaining customer records. In fact, our home state of Illinois enacted a new law this past July, declaring that a "pretexter" commits the criminal offense of identity theft if he or she uses the identification information of another person to pretend to be that person for the purpose of gaining unauthorized access to personal information.

We believe and hope the new Illinois law will significantly deter pretexting by criminals, data brokers and other miscreants.

As a wireless carrier, we at U.S. Cellular are of course already obligated to implement safeguards to protect our customers' call records – a mandate found in section 222 of the Communications Act. Section 222 specifically provides that telecommunications carriers must protect the confidentiality of customer proprietary network information – known as CPNI. As all of you are surely aware, CPNI includes, among other things, customers' calling activities and billing records. We believe that existing FCC customer privacy rules are appropriately stringent, and that they require carriers like U.S. Cellular to uphold their customers' privacy.

We take this obligation to heart, and address it in our Code of Business Conduct – which all associates are required to live by. We further reinforce the importance of privacy in regularly scheduled training sessions with associates. In fact, we specifically instruct our associates to, "Protect the customer's information the way you would want yours to be protected."

Our policy requires our associates to screen all individuals requesting records or other personal information to verify that the person is, in fact, the account holder or a party authorized by the account holder. We offer our customers the option of establishing a unique password to protect their account data. Similar procedures exist for business accounts.

I should emphasize that any associate who fails to adhere to U.S. Cellular's customer privacy and verification policy in accessing a customer's account and disclosing personal information is subject to immediate termination.

At the present time, U.S. Cellular does not provide online access to customer accounts, so digital pretexting – the process of illegally accessing customer information online – has not been an issue for us. We are, however, actively exploring offering such electronic access as an added convenience to our customers. If and when we do establish online accounts, we will only do so by implementing safeguards consistent with best industry practices.

In January of this year, addressing media reports about the improper brokering of cell phone records, U.S. Cellular's Executive Vice President and Chief Operating Officer emphatically reaffirmed our company-wide commitment to data security by issuing a memo to associates titled "Protecting our customers' privacy."

The memo noted that U.S. Cellular "always had security measures in place to protect our customers' privacy, [but] recent events present . . . an opportunity to review our Customer Service Verification Policy."

The memo further notes that "Our customers depend on us to be their first line of protection, so it is important that everyone, whether in Customer Service, Sales or Financial Services, be thoroughly aware of these safety measures, [and] follow them consistently."

In addition, as of January 2006, U.S. Cellular ceased providing consumers with copies of their past bills by fax – even if the customer persistently requests them. Instead, if a consumer requests past copies of his or her bill, we would only mail the records to the billing address listed on their account.

U.S. Cellular has also ceased the practice of allowing employees to disclose their company ID number to outside callers. We discontinued this practice in order to prevent pretexters from obtaining customer information by pretending to be authorized representatives of the company.

One further change, effective October 2, 2006, U.S. Cellular will no longer provide any call detail information over the phone, even if a customer's identification is fully verified. Such information will only be mailed to the existing billing address.

I should also mention that U.S. Cellular does not currently use CPNI for any purpose requiring customer notice or consent under FCC rules. We do not, at present, engage in any "out of category" marketing.

Finally, while U.S. Cellular has not to date filed suit against data brokers that may have engaged in unlawful pretexting, we have not ruled out doing so in the event that it appears necessary or appropriate to take legal action of that kind to protect the privacy of our customers' personal information.

On behalf of U.S. Cellular, thank you for the opportunity to appear before you today. I would be pleased to respond to your questions.